



Federal Transportation Grant Anticipation Notes Series 2017

October 23, 2017

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Commonwealth Transportation Board: Federal Transportation Grant Anticipation Notes, Series 2017

Summary Terms of Offering*	
Issuer	Commonwealth Transportation Board
Projects	Projects with GARVEE allocations in the Six-Year Improvement Program (SYIP)
Anticipated Ratings	Double-A Category
Pricing Date	December 2017
Security	The Series 2017 bonds are payable from and secured by revenues (i) first, from Project specific reimbursements, (ii) legally available revenues from the TTF, and (iii) from other such funds designated by the General Assembly for such purposes.
Par (in millions)	\$230.3
Structure	Serial Bonds 2018 - 2032
Final Maturity (years)	15

* Preliminary and subject to change

GARVEE Program Overview

Chapter 830 and 868 of the Acts of Assembly of 2011 authorized the issuance of \$1.2 billion of GARVEEs.

Successor program to Federal Highway Reimbursement Anticipation Notes (FRANs) authorized in 2000.

Limits the outstanding GARVEEs and FRANs to \$1.2 billion.

Limits the maturity to 20 years.

Secured first by project specific federal reimbursements and then by:

- Legally available revenues from the TTF.
- Other such funds designated by the General Assembly for such purposes.

All FRANs were retired in September 2015.

Memorandum of Agreement (MOA) with Federal Highway Administration (FHWA) for the GARVEE program was executed in December 2011 and updated in August 2017.

Exhibit A of the MOA identifies the approved GARVEE supported projects and has been amended to incorporate the new projects to be supported by this sale.

GARVEE Issues

The CTB has issued four series of GARVEEs to date:

<u>Date of Issuance</u>	<u>Amount (in millions)</u>	<u>Purpose</u>
February 2012	\$298	Downtown & Midtown Tunnels, Martin Luther King Expressway
July 2012	\$144	Downtown & Midtown Tunnels, Martin Luther King Expressway and I-95 Express Lanes
November 2013*	\$307	Route 460 Corridor Development Project, I-495 express Lanes Shoulder Use
October 2016	\$317	Projects in the SYIP and approved in Round One of SMART SCALE with planned GARVEE allocations

* Due to the termination of Route 460, bond proceeds were reallocated to other active GARVEE projects

Proceeds from the 2017 issue will provide continued support to projects funded previously with GARVEE bonds and projects approved in round two of SMART SCALE

Debt Service for the GARVEE Bonds

Virginia's GARVEE bonds are secured first by project specific federal reimbursements and then by, legally available revenues from the TTF, from other such funds designated by the General Assembly for such purposes.

Bond issuances are limited to:

Maximum outstanding amount cannot exceed \$1.2 billion

Debt service must have 4x coverage

After this sale:

Outstanding GARVEEs - \$1.05 billion (additional revolving authorization provided to SMART SCALE in future years)

Coverage – greater than 10x

Next sale anticipated for November 2018 and is estimated to be \$141 million

Recent GARVEE Transactions

	Commonwealth Transportation Board	Idaho Housing and Finance Association ⁽³⁾	Arizona DOT	State of North Carolina	Georgia State Road and Tollway Authority ⁽²⁾	Alabama Fed. Highway Finance Authority
Ratings (M/S/F)	Aa1/AA+/AA+	A2/-/A+	Aa2/AA+/AA	A2/AA/A+	A2/AA/A+	Aa1/AAA/-
Pricing Date	10/25/2016	9/29/2017	8/30/2017	8/3/2017	7/19/2017	6/20/2017
Security	Discretionary Pledge of TTF Revenues and Other Funds	Stand Alone	Other lawfully available funds, including State Highway Fund monies	Stand Alone	Stand Alone	Fuel Taxes
Series	Series 2016	2017 Series A	Series 2017A	Series 2017	Series 2017AB	Series 2017AB
Par (in Millions)	\$316.930	\$91.265	\$62.595	\$224.640	\$349.765	\$556.320
Structure	Serial 2017 – 2029 Term 2030 & 2031	Serial 2020 – 2027	Serial 2018 – 2032	Serial 2018 – 2023	Serial 2018 – 2029	Serial 2018 – 2037
Final Maturity (Years)	15 years	10 years	15 years	6 years	12 years	20 years
All-in Rate ⁽¹⁾	2.302%	1.940%	2.348%	1.379%	1.635%	2.724%

(1) Approximate All-in TIC based on information found in Official Statements (2)GA SRTA Indirect GARVEEs rated A1/AA/A+ (3) On behalf of Idaho Transportation Department

Next Steps for Virginia's Fifth GARVEE Issue

